

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

ACCOUNTANT FEE APPLICATION COVER SHEET

IN RE: Shapes/Arch Holdings L.L.C., et al.

APPLICANT: J.H. Cohn LLP

CASE NO: 08-14631

CASE FILED: March 16, 2008

CHAPTER 11

CLIENT: Official Committee of
Unsecured Creditors

COMPLETION OF THIS FORM CONSTITUTES A CERTIFICATION
UNDER PENALTY OF PERJURY. RETENTION ORDER ATTACHED.

/s/ Bernard A. Katz 8/6/08
BERNARD A. KATZ DATE

SECTION I
FEE SUMMARY

Fourth Monthly Fee Statement Covering the Period July 1, 2008 through July 31, 2008

TOTAL PREVIOUS FEE REQUESTED:	\$ 543,855.00
TOTAL COSTS PREVIOUSLY REQUESTED:	\$ 2,884.11
TOTAL FEES ALLOWED TO DATE:	\$ 0
TOTAL COSTS ALLOWED TO DATE:	\$ 0
TOTAL RETAINER (IF APPLICABLE)	\$ 0
TOTAL HOLDBACK (IF APPLICABLE)	\$ 0
TOTAL INTERIM PAYMENTS RECEIVED BY APPLICANT	\$ 437,938.11
TOTAL RECEIVED BY APPLICANT	\$ 437,938.11

Name of Professional	Level	Hours Billed	Hourly Rate	Total Fees
Bernard Katz	Senior Partner	6.50	\$615	\$ 3,997.50
Howard Konicov	Partner	44.50	570	25,365.00
Irv Schwarzbaum	Director	71.60	465	33,294.00
Lillian McPherson	Senior Accountant	4.90	310	1,519.00
Stephen Salantrie	Staff	3.00	230	690.00
Rosellen Martoken	Staff	<u>4.50</u>	230	<u>1,035.00</u>
TOTAL:		135.00		\$65,900.50
Blended Hourly Rate:				\$488.15

FEE TOTALS		\$65,900.50
DISBURSEMENT TOTALS	(page 3)	1,142.40
TOTAL FEE APPLICATION		\$67,042.90

Section II Summary of Services by Code

Category	Description of Task	Hours	Fee
Administration			
	a Case Administration	1.90	845.00
	b Correspondence/correspondence review	1.80	1,026.00
Analysis of Financial information			
	c Review/analyze Debtor's post-petition operating results	26.80	12,462.00
	d Document response, request & review	1.10	627.00
	e Prepare/review cashflow projections/budget rev	33.90	16,065.00
	f Plan negotiations	14.40	8,203.50
	g Disclosure Statement services	5.00	2,850.00
	h Claims analysis/reconciliation	18.30	8,340.00
	i Prepare/review flash reports	6.50	3,474.00
	j Analysis of preferences/avoidance actions	5.90	2,479.00
	k Evaluate sale of debtor's assets		
	l Other financial analysis	2.60	1,209.00
	m Travel time (at 50% of actual)	1.80	1,026.00
Meetings/teleconferences			
	n Attendance at committee meetings	0.30	171.00
	o Meetings with parties to case		
	p Teleconferences w/parties to case	1.80	1,062.00
Fee applications and interim billing			
	q Prepare/review fee application and interim billing	4.70	1,387.00
Litigation			
	r Attendance at Court	8.20	4,674.00
		<u>135.00</u>	<u>65,900.50</u>

**SECTION III
SUMMARY OF DISBURSEMENTS**

Disbursements	Amount
Travel (mileage, tolls, parking, train)	\$92.80
Zanaras Reporting – deposition 4/29/08	1,049.60
Total Disbursements:	\$1,142.40

**SECTION IV
CASE HISTORY**

- (1) DATE CASE FILED: March 16, 2008
- (2) CHAPTER UNDER WHICH CASE WAS COMMENCED: Chapter 11
- (3) DATE OF RETENTION: Order signed April 25, 2008, effective as of March 31, 2008 (Exhibit “A”)
- (4) PRIOR APPLICATION HISTORY:

Applic.	Period Covered	Fees Requested	Expenses Req.	Fees at 80%	Expenses	Payment
1 st mo.	3/31-4/30/08	\$307,637.00	\$467.71	\$246,109.60	\$467.71	\$ 246,577.31
2 nd mo.	5/1 – 5/31	149,668.00	1,876.65	119,734.40	1,876.65	121,611.05
3 rd mo.	6/1 – 6/30	86,550.00	539.75	69,240.00	539.75	69,779.75
		\$543,855.00	\$2,884.11	\$435,084.00	\$2,884.11	\$437,968.11

EXHIBIT A



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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Ilana Volkov, Esq.
Warren A. Usatine, Esq.

Proposed Co-Counsel to the Official Committee of
Unsecured Creditors of Shapes/Arch Holdings
L.L.C., et al.

In re:

SHAPES/ARCH HOLDINGS L.L.C., et al.,

Debtors.

Chapter 11

Case No. 08-14631
(Jointly Administered)

Judge: Hon. Gloria M. Burns, USBJ

**ORDER APPROVING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS'
RETENTION OF J.H. COHN LLP AS FINANCIAL ADVISOR**

The relief set forth on the following page numbered two (2) is hereby

ORDERED.

DATED: 4/25/2008



Honorable Gloria M. Burns
United States Bankruptcy Court Judge

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Debtor: SHAPES/ARCH HOLDINGS, L.L.C., *et al.*
Case No: 08-14631
Caption of Order: ORDER APPROVING THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS' RETENTION OF J.H. COHN LLP AS
FINANCIAL ADVISOR

THIS MATTER having been opened to the Court by the Official Committee of Unsecured Creditors (the "Committee") of Shapes/Arch Holdings, L.L.C., *et al.* (the "Debtors"), upon the Application for entry of an Order approving the Committee's employment and retention of J.H. Cohn LLP ("JHC") as its financial advisor and forensic accountant in this proceeding; and the Court having considered the Application and the Affidavit of Bernard A. Katz in support thereof; and the Court being satisfied that JHC does not hold or represent any interest adverse to the Debtors, their estates or creditors, and is a disinterested person within the meaning of Sections 328, 1103(b) and 101(14) of the Bankruptcy Code, and that said employment would be in the best interests of the estates; and notice of the proposed retention having been given in accordance with the requirements of D.N.J. LBR 2014-1(a); and for good cause shown,

IT IS ORDERED as follows:

1. The employment and retention of J.H. Cohn LLP as financial advisor and forensic accountant to the Committee is hereby authorized and approved effective as of March 31, 2008.
2. Any and all compensation to be paid to J.H. Cohn for services rendered on the Committee's behalf shall be fixed by application to this Court in accordance with Sections 330 and 331 of the Bankruptcy Code and such Rules of Local and Federal Bankruptcy Procedure as may then be applicable, unless an alternate arrangement for interim compensation is authorized by the Court.
3. A copy of this Order shall be served on all parties-in-interest within seven (7) days hereof.

EXHIBIT B

Date	Professional	Activity	Description	Hours	Rate	Fee
7/2/2008	Bernard A. Katz	Br plan negotiations	Meeting with H. Konicov re: closing cap analysis.	0.70	615	\$ 430.50
7/2/2008	Bernard A. Katz	Gen tel conf	Telephone conference with counsel re: confirmation hearing.	0.80	615	492.00
7/3/2008	Bernard A. Katz	Br plan negotiations	Review comparison of Debtors and Committees' analysis of closing cap analysis.	0.90	615	553.50
7/3/2008	Bernard A. Katz	Br plan negotiations	Telephone conference with counsel re: comparison of Debtors and Committees' analysis of closing cap analysis.	1.10	615	676.50
7/3/2008	Bernard A. Katz	Br plan negotiations	Telephone conference with Debtors' counsel re: comparison of Debtors and Committees' analysis of closing cap analysis.	0.50	615	307.50
7/7/2008	Bernard A. Katz	Br plan negotiations	Telephone conference with Debtor's counsel and lender's counsel re: CAP analysis and cashflow consequences of delay of closing.	0.40	615	246.00
7/7/2008	Bernard A. Katz	Br Budget Rev.	Analyze cash budgets for delay in closing.	1.60	615	984.00
7/11/2008	Bernard A. Katz	Br plan negotiations	Review revised plan funding cap analysis.	0.30	615	184.50
7/11/2008	Bernard A. Katz	Br plan negotiations	Review e-mails re: CIT availability.	0.20	615	123.00
	Bernard A. Katz Total			<u>6.50</u>		<u>3,997.50</u>
7/1/2008	Howard Konicov	Gen corres	Email to Committee counsel re: preparation for confirmation hearing and need for JHC to attend	0.40	570	228.00
7/1/2008	Howard Konicov	Gen corres	Email to Committee Counsel re: investigation and analysis of PPG admin claim stipulation	0.30	570	171.00
7/1/2008	Howard Konicov	Br Flash report	Prepare/review flash report; provided comments for the Committee	1.10	570	627.00
7/1/2008	Howard Konicov	Br plan negotiations	Attention to request for actual fees accumulated and revised projections of fees through the planned effective date	0.80	570	456.00
7/1/2008	Howard Konicov	Br Flash report	Prepared email to the Committee re: flash report	0.30	570	171.00
7/1/2008	Howard Konicov	Br Comm. Mtg.	Attention to emails re: coordination of conference call with Committee Counsel	0.30	570	171.00
7/1/2008	Howard Konicov	Br plan negotiations	Office conference with IS re: plan funding cap analysis necessary modifications (1.8) and email to committee counsel for discussion (.3)	2.10	570	1,197.00
7/2/2008	Howard Konicov	Br plan negotiations	Telephone conference with M Jacoby re: preparation for confirmation hearing and analysis of plan funding requirements and cap	0.90	570	513.00
7/2/2008	Howard Konicov	Br Projections	Prepare/review cashflow projections - attention to weekly budget to actual and covenant compliance - attention to Debtors concerns that the Company may be out of compliance	2.10	570	1,197.00
7/2/2008	Howard Konicov	Br Case Admin.	Attention to fee application, monthly billing statements, unpaid holdbacks and estimates for remaining work (requested by the Debtors)	1.20	570	684.00
7/2/2008	Howard Konicov	Br disclosure stmt	Telephone conference with Committee Counsel re; preparation for confirmation hearing	1.20	570	684.00
7/2/2008	Howard Konicov	Br plan negotiations	Discussion with B. Katz re: closing cap analysis.	0.70	570	399.00
7/2/2008	Howard Konicov	Br Projections	Prepare/review cashflow projections re: rolling forecast predicting DIP loan balances at effective date	0.60	570	342.00
7/2/2008	Howard Konicov	Br plan negotiations	Receipt and review of correspondence/documents re: review of IS email of plan funding requirements, and analysis of secured, admin and priority claims	1.50	570	855.00
7/3/2008	Howard Konicov	Br plan negotiations	Review and analysis of revised plan funding analyses prepared by IS	1.20	570	684.00
7/3/2008	Howard Konicov	Br Claim recon	Receipt and review of claims register	0.60	570	342.00
7/14/2008	Howard Konicov	Br disclosure stmt	Attention to emails re: confirmation hearing, revised budgets, and additional work to be performed	1.30	570	741.00
7/15/2008	Howard Konicov	Br disclosure stmt	Emails to and from Counsel re: preparation for confirmation hearing, revised budget and cap analysis	0.80	570	456.00
7/15/2008	Howard Konicov	Br disclosure stmt	Telephone conference with Ilana Volkov re: confirmation hearing	0.60	570	342.00

Date	Professional	Activity	Description	Hours	Rate	Fee
7/15/2008	Howard Konicov	Gen corres rev	Receipt and review of correspondence/documents - email from Committee counsel re: plan note (.1); email from Committee Counsel re: request for fee estimate (.1)	0.20	570	114.00
7/15/2008	Howard Konicov	Br Flash report	Prepare/review flash report - made comments	0.80	570	456.00
7/15/2008	Howard Konicov	Br Projections	Prepare/review cashflow projections - revised projections provided by Phoenix, revised analysis of funding requirements at emergence et al	0.70	570	399.00
7/16/2008	Howard Konicov	Gen corres	Attention to emails re: professional fee estimates	0.70	570	399.00
7/16/2008	Howard Konicov	Br Budget Rev.	Attention to Debtors estimates for plan funding requirements; attention to revised budget(s)	2.10	570	1,197.00
7/16/2008	Howard Konicov	Br disclosure stmt	Preparation for Shapes confirmation hearing	0.70	570	399.00
7/16/2008	Howard Konicov	Br fee app	Attention to UST fee issues	0.90	570	513.00
7/17/2008	Howard Konicov	Br Flash report	Attention to flash report to committee and revised estimates for plan funding requirements	2.10	570	1,197.00
7/17/2008	Howard Konicov	Br Budget Rev.	Attention to budget extension and correspondence with Counsel	0.70	570	399.00
7/21/2008	Howard Konicov	Br plan negotiations	Attention to plan funding cap analysis - review to previous versions, review of Jacoby declaration	1.30	570	741.00
7/22/2008	Howard Konicov	Lit attend ct	Attend court re: confirmation hearing	7.50	570	4,275.00
7/22/2008	Howard Konicov	Gen corres	Email to Alan Halperin re: results of confirmation hearing	0.20	570	114.00
7/22/2008	Howard Konicov	Gen traveltime	Travel time to Confirmation Hearing (billable portion at 50%)	1.80	570	1,026.00
7/22/2008	Howard Konicov	Lit attend ct	Preparation for Court hearing - review of Jacoby and Grabell declarations; review of Plan modifications	0.70	570	399.00
7/24/2008	Howard Konicov	Br Preference	Telephone conference with LM re: email to Phoenix requesting information in avoidance actions	0.30	570	171.00
7/24/2008	Howard Konicov	Br Budget Rev.	Review/Analyze Budget - review of Debtors revised budget, scorecards, and plan funding cap analyses	1.10	570	627.00
7/24/2008	Howard Konicov	Br doc request	Receipt and review of correspondence/documents - email from Donna Lieberman re: requests for information from the Debtors	0.70	570	399.00
7/25/2008	Howard Konicov	Br doc request	Email to Donna Lieberman re: requests made by JHC to the Debtors for information (.2); followup requests from Donna re: type of information available and extent of potential preferences (.2)	0.40	570	228.00
7/25/2008	Howard Konicov	Br Preference	Telephone conference with Michael Jacoby re: avoidance actions, next steps to transaction closing	0.40	570	228.00
7/25/2008	Howard Konicov	Br disclosure stmt	Attention to confirmation order	0.40	570	228.00
7/25/2008	Howard Konicov	Br Preference	Office conference with L McPherson re: review of avoidance actions and communication with the Debtors	0.40	570	228.00
7/28/2008	Howard Konicov	Br Preference	Telephone conference with Michael Jacoby re: investigation of avoidance actions	0.20	570	114.00
7/30/2008	Howard Konicov	Br Preference	Telephone conference with Trustee and Counsel re; avoidance actions	0.70	570	399.00
7/30/2008	Howard Konicov	Br Preference	Attention to conference call to discuss avoidance actions with Liquidation	0.50	570	285.00
7/31/2008	Howard Konicov	Gen tel conf	Attention to issues associated with delayed closing; telephone call to Donna Lieberman; Tel. call to M. Jacoby	1.00	570	570.00
Howard Konicov Total				44.50		25,365.00
7/1/2008	Irv Schwarzbaum	Br Flash report	Prepare/review flash report for period ending June 23, 2008 forecasted when would be out of compliance given current sales trends	2.20	465	1,023.00
7/1/2008	Irv Schwarzbaum	Br Projections	Prepared projection of Emergence Funding projection based upon various closing dates	2.60	465	1,209.00
7/1/2008	Irv Schwarzbaum	Br plan negotiations	Office conference with HK re: plan funding cap analysis.	1.80	465	837.00
7/1/2008	Irv Schwarzbaum	Br Claim recon	Analysis of 503(b) (9) claims filed by claimant versus the Debtors projection	2.50	465	1,162.50
7/2/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results for week ending 6/29/08 compliance with covenants	1.50	465	697.50
7/2/2008	Irv Schwarzbaum	Br Projections	Prepared side by side analysis of emergence funding required under CAP calculation from previous projections	1.90	465	883.50

Date	Professional	Activity	Description	Hours	Rate	Fee
7/2/2008	Irv Schwarzbaum	Br Projections	Analyzed and review HIG Term Loan balance at various dates in order to determine loan balance at closing. Calculated accrued interest costs	1.80	465	837.00
7/2/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results for week ending 6/29/08. Revenues for the week versus projection	1.20	465	558.00
7/2/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results 6/29/08 cash disbursements for the week by line versus projection	1.60	465	744.00
7/3/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results 6/29/08 collections for the week by division versus budget	1.90	465	883.50
7/3/2008	Irv Schwarzbaum	Br Claim recon	Analysis and research of Administrative claims filed in order to calculate funding requirement at closing	2.20	465	1,023.00
7/3/2008	Irv Schwarzbaum	Br Claim recon	Analysis and research of priority claims filed versus scheduled. In addition, compared and analyzed variance versus the Debtors projections	2.40	465	1,116.00
7/7/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results week ending 6/29/08 for borrowing base availability	1.50	465	697.50
7/7/2008	Irv Schwarzbaum	Br Projections	Prepare/review cashflow projections by Debtor for Week 16 and beyond. Analyzed Term Loan balance versus prior projections	2.30	465	1,069.50
7/7/2008	Irv Schwarzbaum	Br Claim recon	Analysis of administrative and priority claims filed and objections filed for disputed and duplicate claims	3.00	465	1,395.00
7/7/2008	Irv Schwarzbaum	Br Projections	Prepared Calculation of CAP Funding requirement	1.50	465	697.50
7/8/2008	Irv Schwarzbaum	Br Claim recon	Analysis of claims reconciliation of unsecured claims filed to date and potential duplicates. Analyzed claims filed versus scheduled	2.80	465	1,302.00
7/8/2008	Irv Schwarzbaum	Br Claim recon	Analysis of claims reconciliation for environmental claims filed	2.10	465	976.50
7/8/2008	Irv Schwarzbaum	Br Projections	Prepare/review cashflow projections material purchases versus prior projections due to lower sales forecast	1.40	465	651.00
7/9/2008	Irv Schwarzbaum	Br Projections	Preparation of funding requirements under the CAP based up revised HIG and CIT loan balance for different closing dates	2.40	465	1,116.00
7/11/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results week ending 7/6/08 for compliance with debt covenants	1.80	465	837.00
7/11/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results 7/6/08 net cash flow for the week versus budget	1.40	465	651.00
7/11/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results as 7/6/08 cash receipts for the week versus budget	1.60	465	744.00
7/11/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results 7/6/08 revenue for the week by division versus budget	1.30	465	604.50
7/14/2008	Irv Schwarzbaum	Br Analyze A/R	Analysis of AR aging per Debtor as of 6/30/08 for Shapes	2.60	465	1,209.00
7/15/2008	Irv Schwarzbaum	Br Projections	Reviewed Debtors revised projections based upon change in borrowing base	2.00	465	930.00
7/15/2008	Irv Schwarzbaum	Br Projections	Prepared revised funding requirement under the Plan CAP calculation based upon revised borrowing base availability	1.90	465	883.50
7/16/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results for week ending 7/22/08. Analyzed and reviewed budget versus actual for loan balances	1.70	465	790.50
7/16/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results for week ending 7/22/08. weekly revenues and cash collection versus budget	1.30	465	604.50
7/17/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results for week ending 7/22/08. Analyzed and reviewed budget versus actual for cash disbursements	1.50	465	697.50
7/17/2008	Irv Schwarzbaum	Br Oper results	Reviewed and prepared analysis of emergence funding requirements under CAP formula	1.80	465	837.00
7/18/2008	Irv Schwarzbaum	Br Projections	Prepare/review cashflow projections as of Week 18 7/22/08, for projected loan balances and availability under borrowing base	2.10	465	976.50

Date	Professional	Activity	Description	Hours	Rate	Fee
7/24/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results as of week ending 7/22/08 for compliance with loan covenants	1.80	465	837.00
7/24/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results as of 7/22/08 cash collection versus budget for the week	1.20	465	558.00
7/24/2008	Irv Schwarzbaum	Br Oper results	Reviewed Debtor's post-petition operating results as of 7/22/08 for cash disbursements budget versus actual	1.80	465	837.00
7/28/2008	Irv Schwarzbaum	Br Projections	reviewed Debtors projection for cash needs for 13 weeks forward from 7/31/08 and anticipated loan balances	2.10	465	976.50
7/28/2008	Irv Schwarzbaum	Br Oper results	Prepared projection and variance analysis of funding requirement at closing under CAP calculation	1.90	465	883.50
7/28/2008	Irv Schwarzbaum	Br Claim recon	Reviewed claims filed	1.20	465	558.00
	Irv Schwarzbaum Total			<u>71.60</u>		<u>33,294.00</u>
7/9/2008	Lillian McPherson	Br Claim recon	Analysis of claims reconciliation and compile objected claims.	1.50	310	465.00
7/23/2008	Lillian McPherson	Br Preference	Review list of payments to insiders	0.30	310	93.00
7/25/2008	Lillian McPherson	Br Preference	Correspondence with Phoenix regarding avoidance action investigation.	0.40	310	124.00
7/25/2008	Lillian McPherson	Br Preference	Review vendor 90 day payments for names and addresses	2.30	310	713.00
7/25/2008	Lillian McPherson	Br Preference	Office conference with HLK regarding avoidance actions.	0.40	310	124.00
	Lillian McPherson Total			<u>4.90</u>		<u>1,519.00</u>
7/2/2008	Rosellen Martoken	Br fee app	Prepare/review fee application - monthly application for June.	1.20	230	276.00
7/2/2008	Rosellen Martoken	Br Case Admin.	Prepare fee estimate as requested by counsel.	0.70	230	161.00
7/7/2008	Rosellen Martoken	Br fee app	Prepare/review fee application	2.10	230	483.00
7/8/2008	Rosellen Martoken	Br fee app	Prepare/review fee application - finalize application and forward to counsel for filing.	0.50	230	115.00
	Rosellen Martoken Total			<u>4.50</u>		<u>1,035.00</u>
7/11/2008	Stephen Salantrie	Br Budget Rev.	Reviewed and analyzed professional fee budget	3.00	230	690.00
	Stephen Salantrie Total			<u>3.00</u>		<u>690.00</u>
	Grand Total			<u>135.00</u>		<u>65,900.50</u>